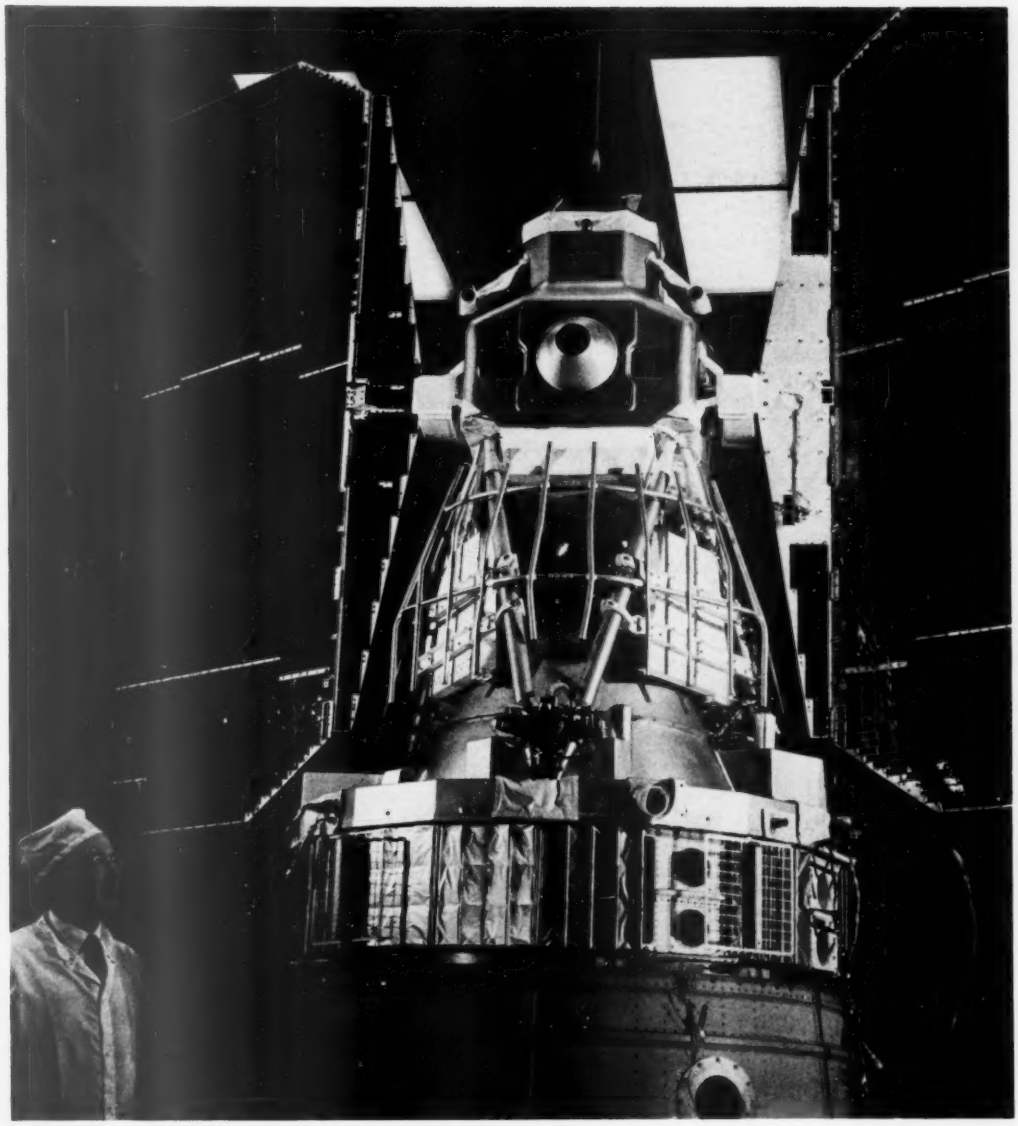
FOREIGN AGRICULTURE



APRIL 9, 1973

British Beef Prices Up Sharply

U.S. Poultry Export Outlook Good for 1973

FOREIGN AGRICULTURAL SERVICE

U.S. DEPARTMENT OF AGRICULTURE

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This week's cover:

The Earth Resources Technology Satellite (ERTS-1) is shown before launching in flight configuration with solar panels deployed. Now orbiting the earth every 18 days, the unmanned spacecraft is gathering global data on the earth's resources, including crop production and acreage. See article, page 11.

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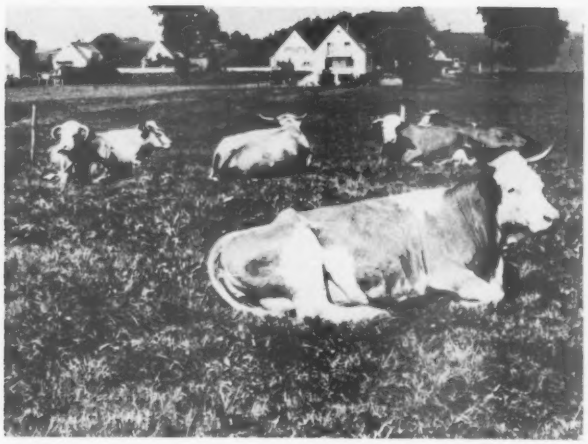
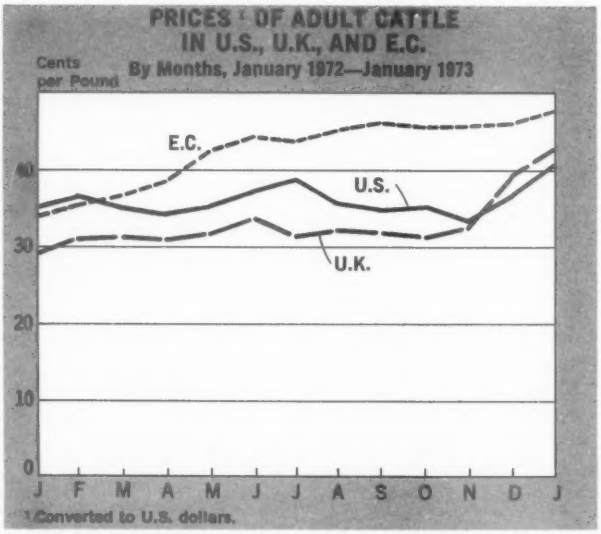
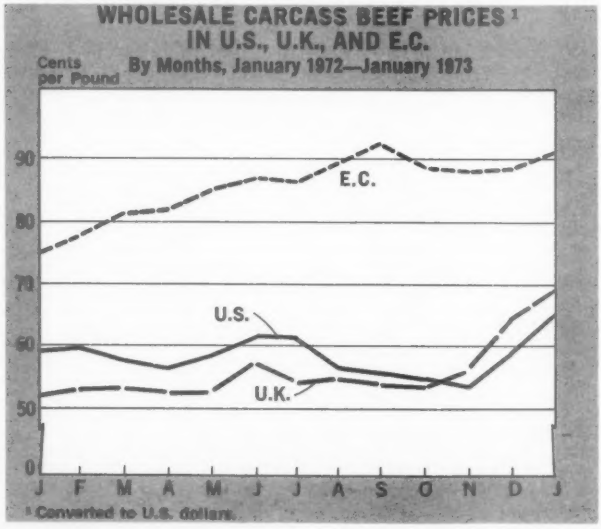


Above, old German Fleckvieh cows, destined for sausage. Right, prize Hereford bull, paraded at the Royal Show, a big U.K. agricultural event.





European Beef Shortage Spurs British Price Rise

By K. SUZANNE EARLY
Livestock and Meat Products Division
Foreign Agricultural Service

PROBABLY ONE OF the most talked about developments in food markets this year has been a sharp rise in beef prices—an occurrence that has touched virtually every part of the world. Among countries experiencing the sharpest increases are those in Western Europe—particularly the United Kingdom.

In the United Kingdom, beef prices have risen substantially since the first of 1972, partly in response to a lowering of import barriers in the European Community (EC-6) last year, which attracted large numbers of British and Irish cattle and greater British beef exports to the higher priced EC market. This, in turn, caused a U.K. beef shortage and a definite surge in prices there.

British fat cattle as of January 1973 were selling for 55 percent more than a year earlier, and wholesale beef prices had risen 44 percent. At the same time, prices in the EC-6 also climbed sharply, with fat cattle prices about 38 percent above January 1972 levels and wholesale prices up 28 percent.

In the United States, by comparison, the increase has been more moderate. Prices for the most representative fat cattle in January 1973 were up 11 percent over January 1972, while wholesale prices gained only 9 percent. (Although it is not possible to directly compare European cattle and beef prices with those in the United States because of differences in the mix of cattle slaughtered, feeding practices, and fabrication into retail cuts, one can still compare relative price gains.)

Consumers in the United Kingdom, who have long enjoyed the cheapest food prices in Europe, have been so outraged by the beef price increases that the Government appointed a special inquiry team to examine the causes. The team, which released its findings in early January, concluded that U.K. price increases were due to a combination of reduced supplies of home-killed beef, declining imports from Ireland, and the increasing pull of the continental market.

Beef and veal production in the United Kingdom was off by about 5 percent in 1972 to 2.04 billion pounds, as U.K. farmers held back breeding cattle throughout 1972 with the aim of increasing their herds. Heifer slaughter through September 1972 was off about 8-10 percent, and the slaughter of cows and bulls, 15 percent.

In 1971, about 15 percent of U.K. cattle slaughter was filled by imports from Ireland which totaled 600,000 head. In 1972, imports from this source dropped 21 percent to 475,000 head. High EC cattle prices and the freer access to that market in 1972 lured the Irish cattle away. Had these animals been fattened in the United Kingdom they would have provided about 65 million to 70 million pounds more beef for domestic consumption.

Attractive EC prices exacted a further toll on the U.K. market by encouraging larger exports of live cattle. In 1972, 86,000 head of U.K. cattle were exported to the EC, compared with only 18,000 a year earlier. Slaughter of these animals in the United Kingdom, by contrast, would have provided an extra 40 million to 45 million pounds of beef. In short, if U.K. cattle trade had been at the previous year's levels, domestic production would have been almost unchanged from 1971.

Larger U.K. exports of beef and veal were also a cause for lower domestic availabilities. In 1972, U.K. net imports of beef were 20 million pounds less than in 1971.

As a result of these various factors, total availabilities for consumption were down 4 percent (or about 100 million pounds) from 1971 levels.

In the EC, live cattle and beef

(Continued on page 16)

Chinese Mobilize Early for Farm Work After Last Year's Decline in Crop Production

By FREDERICK W. CROOK and SHELDON K. TSU
Foreign Demand and Competition Division
Economic Research Service

After the decline in agricultural production last year, authorities of the People's Republic of China appear anxious to mobilize peasants early this year to gain the advantage in spring farming. At present, it is estimated that the spring farming effort exceeds that of last year, and that farm activities are ahead of schedule, especially in those areas where the early spring accelerated cropping activities.

On the whole most winter crops seem to be doing fairly well, except in some areas of Szechwan and some northern Provinces, which are dryer than last year, and in some of the coastal Provinces, which have received heavy rains recently. The months of March, April, and May probably make up the most critical periods for both winter and spring-sown crops, which will be growing in warm temperatures and will require moisture.

An early spring start. Spring farming activities commenced in all agricultural regions in the People's Republic of China in February 1973. For example, by the middle of February Hainan Island in the south had completed sowing early rice in seedbeds, while in the northeast peasants collected and transported manure to fields in subzero temperatures.

This early start reflects a sense of urgency in spring farming activities this year. In the spring of each year there is normally a barrage of articles in the Chinese press urging cadres and peasants to mobilize for spring farming. But this year the articles appeared a little earlier than usual.

Furthermore, there seems to be special exigency in mobilization activities. The Chinese are concerned that dry soil conditions in North China and Szechwan Province may continue. Rural cadres were directed not to begin new water conservation projects this winter but to finish off old projects and to complete projects which could aid the raising of this year's crop. Some emphasis was given to cultivating early-ripening crops such as potatoes and pumpkins.

Moreover, twice as many reports of Provincial-level conferences and newspaper editorials were found in the Chinese press from January 1 to March 15 as were found for a comparable period in 1972. Among these conferences was a 13-day nationwide conference on cotton production held in Peking in January. The participation of Premier Chou En-lai, other leading Central Government officials, and important cadres from 18 cotton-producing Provinces reflects high-level concern about farm performance in cotton production.

> ***"March, April, and May probably make up the most critical period for both winter and spring-sown crops, which, growing in warm temperatures, will require moisture."***

The anxiety over spring farming this year appears warranted in view of the decline in grain, cotton, and vegetable oilseed production last year. By putting more effort into mobilizing for spring farming Chinese leaders are attempting not only to prevent a repeat of last year's decreased harvest, but also to recoup those losses through a better harvest this year. If there is a decline in production again this year, they want to insure that it is not due to mismanagement on their part.

Current agricultural policy. General agricultural policy this spring is similar to that of recent years but includes stronger directives for more intensive efforts at the production team level to insure better overall plans for sowing crops and more efficient execution of farming operations.

The policy includes increasing crop yields by implementing the "Eight-Point Charter for Agriculture." These eight points are soil improvement, fertilizer application, water management, seed selection, close planting, plant protection, improved management, and utilization of improved tools. The general policy also stresses the planting of the proper amount of grain, cotton, oilseeds, and other crops. Finally, frugal grain consumption and preparation against war and natural disasters are stressed.

Eight specific practices emphasized this spring are: Insuring that peasants are motivated properly; arranging farm, sideline, and water conservation work so that sufficient manpower is freed to sow spring crops and tend winter crops; planting early-ripening spring crops such as potatoes; preventing rice seedlings from rotting in cold weather; increasing the production of chemical fertilizer; insuring proper insect control, fertilization, and irrigation for the winter wheat crop; preparing to combat drought; and increasing the participation of units of the People's Liberation Army (PLA) in spring farming.

Weather. Patterns of rainfall and moisture reserves in China on the whole appear to be about normal for this time of year. Some areas in the northern tier of Provinces and in Szechwan Province were plagued with drought conditions last year, and such conditions have persisted up to the present time in some areas. (For a map of China's ag-

Spring work in Shansi Province, People's Republic of China. An extra sense of urgency marks the opening of this year's spring campaign, after last year's crop decline.

ricultural zones and regions, see *Foreign Agriculture,* Oct. 25, 1972, p. 4.)

The fact that dry conditions have continued during the winter months is not, however, unusual, since northern China normally is dry during the winter. Hence, while the pattern of scanty rainfall in the northern Provinces can be considered normal for the winter, rains which usually come with warmer weather from March to May could correct this dry situation. But if the rains do not come as they usually do, the crop situation in North China will be serious this year.

In East China, the problem is not too little rain, but too much. Recently, heavy rains have fallen in the three agriculturally rich coastal Provinces of Kiangsu, Anhwei, and Chekiang. These rains hampered the growth of winter crops—notably winter wheat, barley, and rapeseed—scheduled for harvest in the summer.

Kiangsu Province has had a succession of rainy days, insufficient sunlight, and reports of excessive soil moisture, possibly verging on waterlogging, all of which have affected the growth of winter wheat and barley. Kiangsu ranked fifth among all Provinces in the mid-1960's in winter wheat acreage.

In nearly all localities of Anhwei, heavy rains accompanied by cold temperatures have hampered spring farming operations. Anhwei Province in the mid-1960's ranked third in winter wheat acreage. The winter grain crops account for about one third of its annual grain output. Although some counties claim to have drained off the rainwater from fields, it has been reported that there has been rotting of the roots of wheat and rape.

Recently the Chinese press reported that excessive rain has also fallen in Chekiang Province, which has less winter wheat acreage than Kiangsu or Anhwei. Reports indicate that the rain has harmed the growth of winter crops.

Progress of the spring work. Agricultural machinery, chemical fertilizers, and organic fertilizers are always in short supply in China. But this year no unusual shortages were reported, except in Shensi Province. At this point in time, available agricultural inputs have been distributed according to plan and on time, because of more efficient programing and earlier shipments from central stocks to farming units.

More peasants have been mobilized for water conservation projects, afforestation, precrop operations, and the spring farming campaign than in recent years. In addition, however, urban workers, soldiers, and cadres have been sent to the countryside in large numbers to aid in the spring campaign.

Winter crops, including crops such as winter wheat, barley, and rape, appear to be doing well. Reports from the Chinese press indicate that the acreage of winter wheat has increased over last year. Because of the drought in North China, much of this wheat was irrigated last fall, and current reports suggest another irrigation this spring. Snow fell in January in the winter-wheat-producing Provinces of Shansi, Hopeh, Shantung, Honan, and Shensi, providing the plants some protection from winterkill.

Spring-planted crops include early rice, corn, spring wheat, potatoes, and cotton. By the middle of February, Hainan Island and part of Yunnan Province reported completion of the sowing of early rice. Transplanting of early rice was in progress in mid-March in South China, where expanded acreages of early rice are planned in Fukien and Kweichow Provinces. By February 10, 80 percent of the early corn crop had been sown in Kwangsi Province. The sowing of spring wheat usually begins in the last part of March. Reports from Tsinghai Province, however, indicate that some spring wheat had been sown there in February. As of mid-March, cotton fields were being prepared for sowing.

U.S. Poultry Exports Up in 1972; Outlook Good for 1973

By DAVID R. STROBEL
Dairy and Poultry Division
Foreign Agricultural Service

DESPITE INCREASED world poultry production and continuing subsidized competition, particularly for whole broilers, the United States exported $86 million worth of poultry products in 1972—an increase of 15 percent over 1971; and the prospects for 1973 look good also.

Exports of poultry meat, moving to 73 countries throughout the world, amounted to 156 million pounds valued at $48 million—up 11 percent in volume and 19 percent in value over 1971. Poultry meat accounted for about 56 percent of the total export value. The Caribbean countries, West Germany, Japan, and Hong Kong were the major markets.

The bright spot in the export of U.S. poultry meat is turkey meat, shipments of which in 1972 amounted to 36.4 million pounds valued at $15 million—up nearly 60 percent in volume and value over 1971. This compares with exports of 12 million pounds in 1959, moving to a relatively few markets. Last year turkey meat moved to 56 countries. Exports were higher than in 1971 to such varied world markets as Europe—West Germany, Italy, the Netherlands, Austria, Switzerland, and the United Kingdom; the Far East—Hong Kong, Japan, and Singapore; the Near East—Lebanon and the Persian Gulf; and the Caribbean area—Barbados, Bermuda, Jamaica, and Trinidad and Tobago.

West Germany, taking 15.9 million pounds valued at $5.9 million, remained the major export market for U.S. turkey meat. This is particularly significant in view of the high level of duties applied against U.S. poultry meat entering the European Community (EC) under the gate-price, variable-supplementary-levy system. In 1972 over 60 percent of the U.S. poultry meat exported to the EC was turkey parts, principally drumsticks and thighs. The Community's imports of these items—with total import charges for drumsticks ranging from 12 to 14 cents per pound and those for thighs from 32 to 43 cents per pound during the year—reflect an unsatisfied demand that the EC turkey industry cannot supply. It also indicates that EC consumers could be a market for much larger quantities of U.S. turkey parts if EC duties were lower.

Owing to the fact that cooked poultry items were not a significant factor in poultry trade when the EC established its protective system, the United States obtained a duty binding of 17 percent ad valorem under the General Agreement on Tariffs and Trade (GATT) for cooked poultry products entering the EC. As a result, the sale of U.S. cooked turkey products to the Community, particularly West Germany, has shown encouraging increases in the last few years. A fast-selling item today on the West German market is a U.S. cooked turkey thigh pan roast. Another item is a canned, cooked turkey thigh. These sales show that the U.S. poultry industry can sell its products when it has market access.

EVEN WITH THE EC protective system resulting in a rapidly developing Dutch turkey industry and with the Dutch now supplying over 70 percent of poultry meat imports into West Germany—the world's largest poultry meat import market—there is still a large EC market for uncooked U.S. turkey legs and thighs and a developing market for cooked, further processed items. The continuance of this market can be attributed to the fact that the Dutch have been concentrating on the production of small turkeys. Trade reports indicate that 30 percent of the Dutch turkey production are birds weighing only 7.7 pounds or less, an additional 51 percent of production being birds from 7½ to 13 pounds. This has made it possible for the Dutch to capture the consumer market for small whole birds. However, it has left a gap in supplying the consumer demand for large-size turkey parts, and for further processed items that can only be economically produced from big birds.

In the past, the EC-6 countries generally have not produced the volume of large birds necessary to supply the parts demand that has been developed by the promotion activities carried out on behalf of the U.S. poultry industry by the Poultry and Egg Institute of America (PEIA) in cooperation with the Foreign Agricultural Service; and based on production economics, such a supply will not be available in the near future.

Before heavy turkeys could be significant in total EC production, hard decisions would have to be made on the proportionately higher land, housing, and feed requirements and other capital investments needed. Logically, the EC should concentrate on small turkeys and let an efficient producer such as the United States fill the need for large birds, large parts, and further processed items.

In the production of further processed items, particularly the fully cooked convenience products, an additional investment is necessary in product development involving costly technology. The United States is now further processing 36 percent of its slaughtered turkeys. Large investments in time and money preceded this development. The large competitive U.S. turkey industry, producing about 129 million turkeys or 1.8 billion pounds of turkey meat on a ready-to-cook basis in 1972, not only made possible but necessitated expenditures to develop processing techniques, new products, market tests, and many other factors, resulting in the extensive line of further processed U.S. turkey products available for export today.

This kind of activity will continue, with new products constantly available for introduction into the export market. In contrast, the combined 1972 EC-6 turkey meat production was about 500 million pounds with only a very small percentage being further processed. Per capita consumption of turkey meat in the EC-6 in 1972 was less than 1 pound compared with a record 9 pounds in the United States.

In the United Kingdom—now a member of the EC—turkey production has increased significantly in recent years, amounting to 5.8 million birds in 1971. In the United Kingdom, as in the EC-6, however, emphasis has been on the production of smaller birds, with 70 percent of the U.K. production reported

as being below 13 pounds in weight. As evidence of the unfilled demand for further processed items by the U.K. restaurant, hotel, and institutional trade, 1972 U.S. exports of turkey meat to the United Kingdom, including specialties, amounted to 3.4 million pounds—up 150 percent over 1971—the principal export item being a cooked, boned turkey breast. If the duty on cooked items to the EC remains at 17 percent ad valorem, the continuing U.S. progress in the development of new products should maintain a growing EC market for these items. If the EC were to permit better access for all U.S. poultry products—uncooked as well as cooked—the market would rapidly expand, especially for turkey products.

In markets over the rest of the world, U.S. turkey meat exports have a bright future. This is evidenced by the 1972 exports of turkey meat to Hong Kong of 1.9 million pounds valued at $561,000 compared with 1.1 million pounds valued at $256,000 in 1971. This significant increase is principally the result of a Hong Kong businessman's having established a new company to import turkey meat items. This new endeavor is being assisted by a PEIA promotion program.

The 1972 U.S. export figures show another significant development—the increase in exports of egg solids. These exports amounted to 4.2 million pounds valued at $3.6 million, compared with 869,000 pounds valued at $933,000 in 1971.

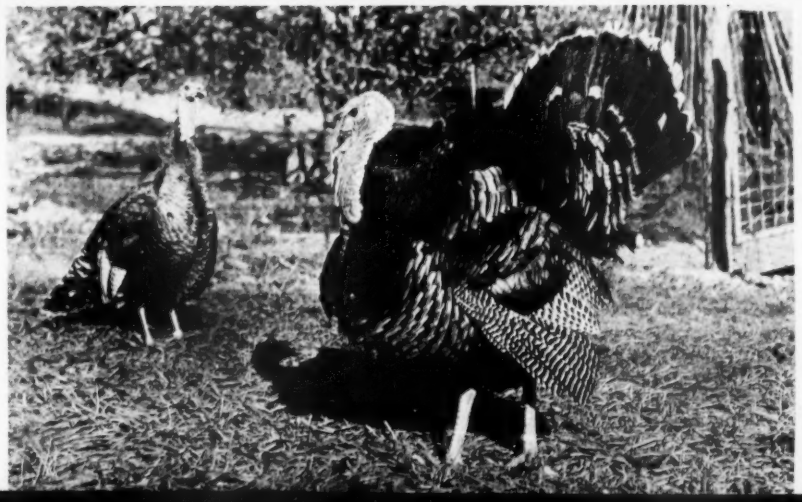
An important new factor in this increase has been the emergence of Japan in the last few years as a major import market for egg solids. U.S. exports of egg solids to Japan last year amounted to 2.2 million pounds valued at $1.3 million, compared with 51,000 pounds valued at $49,000 in 1971. Only in recent years have the large Japanese users of eggs such as bakeries and mayonnaise manufacturers converted from breaking out shell eggs at the manufacturing sites to the utilization of the more convenient and economical egg solids. Japan remains a market that can be greatly expanded for egg solids.

The value of 1972 chicken meat exports at $25 million was down by 2 percent. This decrease was due solely to a 17-percent drop in whole broiler exports reflecting the continuing impact from Danish and EC subsidized competition on U.S. broiler exports.

Although total exports of chicken meat were down, the value of the largest item in the chicken meat export category, chicken parts, was maintained by the ability of the U.S. industry to supply large orders of selected parts, such as whole legs to Japan. Exports of poultry parts, practically all whole legs, to Japan amounted to 16 million pounds valued at $5.7 million in 1972. To the Caribbean area, chicken parts exports amounted to 32.4 million pounds valued at $6.6 million last year. Exporters of chicken meat can continue to look forward to a good export market.

When and if the United States succeeds in convincing its competitors to market their products on the basis of production efficiency rather than subsidies, export opportunities for U.S.

(Continued on page 16)



Clockwise from above: Grading U.S. turkeys as they move along a conveyor belt; packaging egg solids; USDA inspector checks poultry for wholesomeness; and hen admires a strutting gobbler.

High food needs and economic gains are among the factors stimulating commercial sales of U.S. food and feed products in . . .

The Developing Nations of Asia: A Growing U.S. Market

By JOHN B. PARKER, JR.
Foreign Demand and Competition Division
Economic Research Service

IN SPITE OF THE Green Revolution, Asia's developing countries are importing substantially more U.S. farm products. Moreover, Asian markets receiving U.S. food under aid programs are upping commercial purchases, although a large percentage of U.S. exports continue to be concessional.

A number of factors are responsible for the 15-percent upswing in the value of U.S. exports to developing Asia in 1972, compared to 1971. Food needs are strong—although economic and agricultural progress has led to higher farm output. Rapid population growth coupled with rising incomes and living standards has heightened demand for processed foods and raw materials. Also, recent production shortfalls have strained food supplies in some areas of Asia, as elsewhere.

U.S. exports of rice to developing Asia in 1972 approached 1.6 million tons—about 50 percent above 1971, because of marked gains in deliveries to Bangladesh, South Vietnam, Philippines, Khmer Republic, and Iran. Corn exports neared 2 million tons—almost double the 1971 level because of larger deliveries to Taiwan, South Korea, Philippines, Singapore, and Iran.

A stimulus to U.S. commercial sales has been the growing level of Asian trade on world markets, generating foreign exchange for purchases. The foreign trade position for most U.S. markets in developing Asia has improved markedly in the last 3 years. Among the countries of East and West Asia, a generally more favorable trade balance provided dollars for record commercial purchases this year.

Long-run prospects for U.S. exports look bright as the economic climate in the developing Asian countries improves. A shift from concessional to commercial sales may continue. However, stiff competition for commercial markets can be expected from other developed countries and, for some products, from developing countries themselves.

The fastest growing U.S. market in the Far East is **South Korea,** where U.S. exports have quadrupled since 1966. The flourishing market has been created by Korea's booming economic growth and progress.

With only 2 million hectares of cropland, South Korea's farmers are intensifying production of such crops as tobacco, mushrooms, and silk. These crops provide more employment in rural areas and profitable exports. Adverse weather in 1972 caused a reduction in grain production, which has shown a downward trend since 1966.

In 1972, Korea upped its total purchases of U.S. wheat, rice, corn, cotton, and tallow. A meat shortage in higher income urban areas led to Government emphasis on bolstering livestock output, which created a demand for

more feeds and feed products.

Korea is also promoting exports—both agricultural and industrial—to earn vitally needed foreign exchange. Programs to increase farm output—especially of livestock—modernize agriculture, and improve marketing may result in a strengthened agricultural trade in future years.

Because of rising demand for grain, cotton, and oilseeds, South Korea should continue to grow as a market for U.S. farm products. It ranked sixth among world markets for U.S. agricultural exports in 1971, falling to seventh place in 1972.

Pakistan and **Bangladesh** (formerly East Pakistan), considered together, constituted the second best U.S. market in developing Asia in 1972. Separate statistics for U.S. exports to Bangladesh were not recorded until May 1972.

DUE TO A CRITICAL food shortage, Bangladesh's needs for farm imports in 1972 were higher than ever before, and the United States provided large quantities of wheat, rice, cotton, and soybean oil—most through aid programs, but partly on a commercial basis.

This year's crops, especially rice, may reach more normal levels in Bangladesh and help to ease the food crisis by November. Bangladesh may need to import 2 to 3 million tons of grain in 1973. It recently purchased 1 million tons of wheat commercially from the United States and Argentina.

Since Bangladesh plans no immediate imports from Pakistan—a former major supplier—large imports of rice, rapeseed, leaf tobacco, and cotton will be required from other sources. Cotton is needed to revive textile factories which relied on supplies from Pakistan. India replaced Pakistan as the major source of Bangladesh's imported tobacco in 1972. Some imports of U.S. tobacco are needed for blending.

U.S. exports to Pakistan increased sharply in 1972, largely due to soaring wheat exports, which were more than double those of the previous year. The United States supplied about 80 percent of the 1.3 million tons of wheat imported by Pakistan in 1972.

The market for U.S. soybean oil declined by half, however, because Pakistan's increased cottonseed output boosted vegetable oil supplies last year, and rapeseed and mustardseed that previously went to Bangladesh were available for domestic use.

The third most important U.S. market in developing Asia during 1972 was **Taiwan,** where commercial livestock operations are enlarging demands for feed—almost all of which is imported.

While the United States traditionally supplies almost all of Taiwan's soybean requirements, Thailand has been the country's major source of corn because of lower transportation costs and trade agreements. A Thai shortfall in corn production in 1972 caused corn imports from the United States to triple. Taiwan is also a growing market for U.S. wheat and tobacco.

South Vietnam's imports of U.S. rice rose sharply to 311,000 tons in 1972, as food needs grew. Commercialization of the poultry and hog industries, accomplished with U.S. technical assistance, is expanding the market for U.S. corn. Tobacco and cotton shipments should also continue the upward trend of recent years, since Vietnam's textile and cigarette factories are expanding output rapidly.

New flour mills in **Indonesia** created a sharp rise in U.S. wheat exports, which jumped from $1.6 million in 1971 to $23.2 million last year. On the other hand, domestic flour production led to a drastic drop in Indonesia's wheat flour purchases from the United States—a decline from $16.7 million in 1971 to $257,000 in 1972.

However, Indonesian food output, especially of rice, was greatly reduced by a serious and widespread drought during the 1972-73 crop year. Due to the rice shortage, the United States supplied 322,000 tons on a concessional basis. Import requirements for wheat and corn may also be higher than usual because of crops affected by dry weather.

The **Philippines** became a $100-million market for U.S. farm products in 1972. U.S. tobacco sales doubled in 1972, reaching $8.2 million. Rice was in short supply, as a result of summer floods in Luzon which damaged part of the rice crop. So U.S. rice shipments are scheduled to rise, as are imports of corn, wheat, and tobacco.

India's agricultural trade was unique in 1972, with purchases from the United States falling to the lowest level in a decade. Before 1971, India was the largest U.S. market in developing Asia. In 1972, U.S. farm imports plunged an astonishing 68 percent in value, compared to the previous year.

In 1972, total U.S. exports to India fell sharply to $349 million—including

(Continued on page 12)

U.S. AGRICULTURAL EXPORTS TO SELECTED COUNTRIES IN ASIA
[In millions of dollars]

Country	1966	1967	1968	1969	1970	1971	1972
South Korea	83.3	146.4	190.4	234.9	224.3	299.7	363.7
Pakistan and Bangladesh	72.5	162.4	106.8	38.5	119.1	99.2	234.8
Taiwan	76.2	111.4	116.7	107.1	134.3	162.3	195.9
South Vietnam	143.2	158.9	152.3	132.1	166.4	98.7	148.2
Indonesia	26.1	25.5	93.4	95.7	132.7	98.5	134.0
Philippines	77.0	90.9	96.2	78.3	77.4	74.0	99.9
India	548.7	529.5	363.5	261.7	256.2	272.3	87.1
Hong Kong	44.6	61.5	72.3	54.6	57.1	68.9	67.6
Thailand	23.2	28.2	38.3	32.1	31.8	46.3	58.1
Singapore	8.1	11.3	9.8	11.0	16.9	15.1	22.0
Sri Lanka (Ceylon)	8.5	6.0	18.8	13.5	6.5	11.6	14.4
Khmer Republic (Cambodia)	0	.1	.2	.3	.1	5.0	12.1
Malaysia	9.1	12.3	12.4	13.5	14.9	14.6	11.0
Afghanistan	8.2	2.6	.8	2.6	.7	6.8	10.5
Nepal	.1	.2	.1	.1	.1	.1	1.2
Burma	15.2	1.2	.4	.4	.6	.3	.5
Macao and Timor	.3	.1	.2	.1	.3	.2	.2
Laos	.6	.7	.5	.5	1.9	.9	2.2
Subtotal	1,134.9	1,349.2	1,273.1	1,077.0	1,241.3	1,273.5	1,463.4
Iran	24.7	10.5	12.9	12.6	30.5	59.6	76.0
Saudi Arabia	20.6	25.0	25.8	26.4	27.6	23.9	32.9
Lebanon	22.7	12.6	15.9	10.8	16.8	20.8	27.3
Jordan	14.4	9.0	6.0	8.3	11.0	7.0	13.3
Kuwait	4.8	4.7	7.1	3.6	4.0	4.9	4.6
Syria	10.0	5.7	.3	.6	1.5	13.9	4.1
Other Arabian Peninsula	4.7	4.7	6.5	4.5	6.4	3.4	4.1
Iraq	3.3	3.8	1.3	1.8	1.7	6.3	1.6
Subtotal	105.2	76.0	75.8	68.6	99.5	139.8	163.9
Total	1,240.1	1,425.2	1,348.9	1,145.6	1,340.8	1,414.3	1,627.3

Bureau of the Census, U.S. Department of Commerce.

Future Pan-American Highway Link Points Up Growing Need for Foot-and-Mouth Controls

By NORVAN L. MEYER
Emergency Programs Staff
Animal and Plant Health
Inspection Service, USDA

The need for strong foot-and-mouth disease controls in border areas of Panama and Colombia is becoming urgent, as a result of plans to complete the last stretch of the Pan-American Highway linking Central and South America.

To prevent northward spread of the disease—a possible result of improved travel and communication between the two countries—negotiations are underway between Colombia, Panama, the Central American Republics, and the United States.

Proposed measures include the establishment of border control points and assignment of trained veterinary officials to supervise controls. A cattle-free zone and adjacent zone of limited cattle production in Colombia are also being discussed to further reinforce the protection afforded by similar zones on the Panamanian side of the border.

Although foot-and-mouth disease exists throughout South America, the virtually uninhabited Darien jungle area of Panama and the dense jungle and swamps of northern Colombia have provided a natural barrier to the disease's spread northward. The Pan-American Highway does not presently cross that 250-mile barrier, called the "Darien Gap."

In May 1971, representatives of the United States, Colombia, and Panama signed an agreement to build a highway through the Darien Gap—for the first time connecting North and South America by an overland route. Unfortunately, completion of the highway and even construction activities will weaken and possibly neutralize the natural barrier to the introduction of foot-and-mouth disease.

Recognizing the potential danger of foot-and-mouth transmission, Panama maintains a quarantine or barrier zone about 25 miles wide along its border with Colombia. Only one herd of cattle, near the town of Jacque, is allowed in the quarantine zone, and further expansion of the cattle industry is prohibited by the Government. In some areas, meat for local consumption is flown in and its cost subsidized by the Government.

Livestock inspectors assisted by National Guard personnel are located at strategic points and on footpaths between Colombia and Panama. The guards conduct regular patrols to keep the area free of unauthorized livestock.

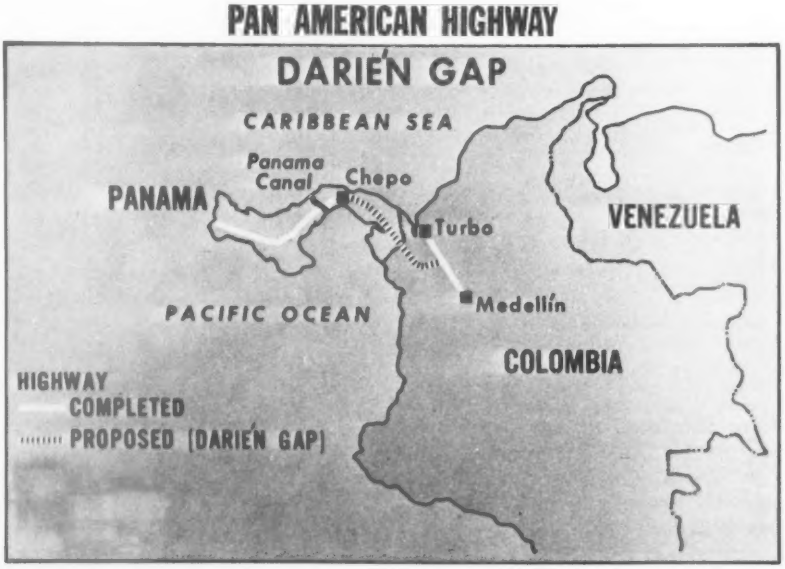
A second zone adjacent to the barrier zone is called the "zone of control," and is regularly inspected by the Panamanian Department of Agriculture. The few thousand cattle in the zone are strictly controlled and must be sold at a designated slaughter plant in Panama City.

Mexico and the countries of Central America assist Panama in the Darien Gap prevention program, through the International Regional Organization for Plant and Animal Health (OIRSA). Each country pays a fixed amount each year for foot-and-mouth disease prevention activities.

In 1967, the OIRSA countries formally requested the United States to

(Continued on page 12)

In Colombia, farm workers return home from the fields in a cart drawn by a team of native cattle.



Crop Reports Of the Future May Be Via Space Satellite

By CHARLES M. CLENDENEN
Office of Reports and Statistics
Foreign Agricultural Service

Crop reporting by space satellite may provide an answer to the world's need for faster, more efficient information on agricultural production.

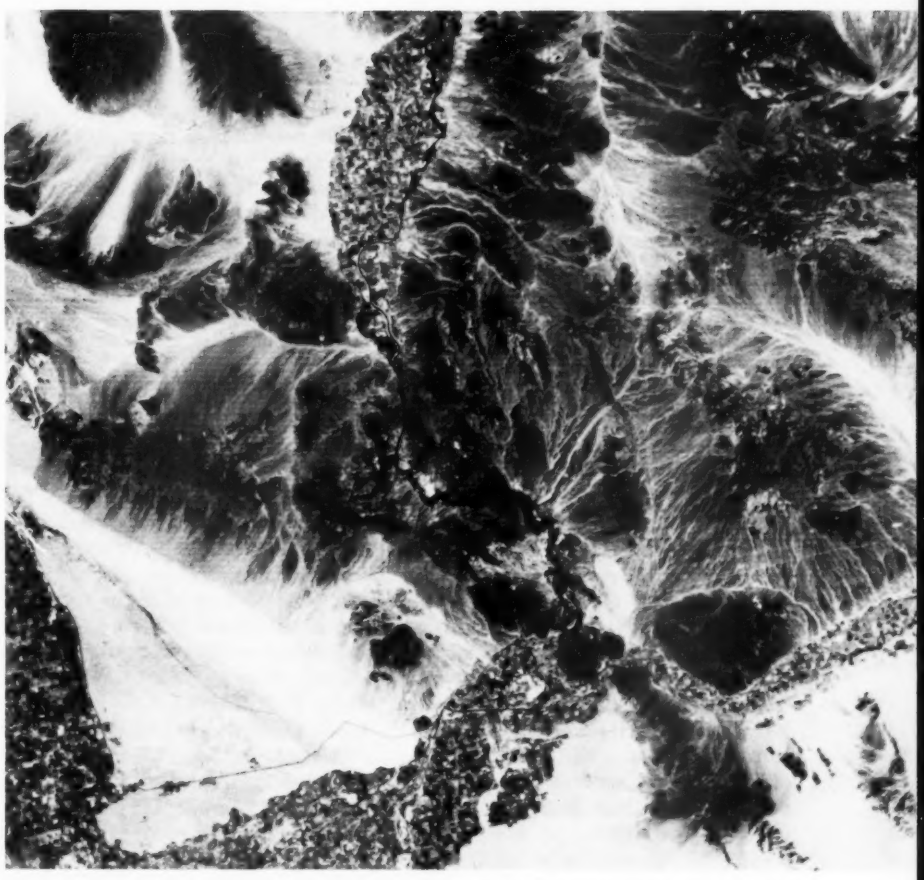
In only a few countries is crop reporting as efficient as in the United States, which already uses a form of remote sensing—aerial photography—to estimate farm area and output. More sophisticated remote-sensing methods, currently being evaluated, will open new and almost limitless vistas for agricultural reporting worldwide.

The first of these efforts is the experimental Earth Resources Technology Satellite, known as ERTS-1, launched by NASA from Vandenberg Air Force Base, Calif., in July 1972. This unmanned spacecraft is currently gathering detailed and repetitive global data from space about the earth's resources —croplands, geology, water, and forests.

Twenty-six countries have applied for participation in NASA's Earth Resources Survey project, of which ERTS-1 is a part. These countries foresee the advantages of having improved crop production and acreage data, particularly less-developed countries, where some land areas have never even been mapped accurately.

Orbiting the earth every 18 days—570 miles above the earth's surface—ERTS-1 carries an array of three television cameras, a multispectral optical-mechanical scanner, and a data collection system. Electronic signals are telemetered back to earth and from these, black and white photographs are made. Each frame of imagery covers 13,500 square miles. Enlargements may be made to reveal agricultural areas as small as 200 to 300 feet across.

By comparing sequential photographs taken at the same location every 18 days, changes in crop development or acreage can be determined.



ERTS-1 photo shows Colorado River, center; Mexico and Yuma Desert, lower right; Yuma, Ariz., lower center; and El Centro, Calif., lower left. NASA photo.

By utilizing remote sensing methods, multispectral data patterns and near infrared photography can detect subtle stresses in living plants. For example, infrared photos can detect black stem rust in wheat before the disease is visible to the human eye, to aid in early control. Environmental factors that affect crops can also be monitored, such as snow accumulation and melt to provide accurate information on water availability.

Data analysts will eventually be able to identify the signatures of up to 10 species of crops by measuring the amount of reflectance and thermal radiation. However, much additional experimental work and comparative study will be necessary to develop the expertise to interpret this complex imagery.

When ERTS-1 runs down in a year or so, a second and third satellite will be put into orbit to take its place. Based on data collected by ERTS-1, corrections and improvements will be made in subsequent satellites to enable them to relay better and more timely data.

The implications of the program for agriculture are enormous, since satellite reports can provide complete and regular crop data here and abroad in all seasons, with a small margin of error compared to the sample surveys now used.

By reviewing information supplied by the satellite, area and production data can be monitored and evaluated with accuracy, rapidity, regularity, and convenience—to benefit marketing, food distribution, and international trade.

For example, potential crop shortfalls can be identified early, and production increased or decreased in line with world food needs. Acreage gains or declines can be determined with high accuracy early in the crop year. Also, the effect on crops of weather, disease, insects, irrigation, or fertilization can be evaluated well in advance of harvest.

Pan American Highway

(Continued from page 10)

join them in forming a commission for the prevention of foot-and-mouth disease, and in 1968 Congress enacted enabling legislation. In November 1971, the legislation was broadened to include "any disease which constitutes a threat to the livestock or related industries of the United States," and to add Canada and Colombia to countries the United States can cooperate with.

At present, Panama, Nicaragua, Costa Rica, and British Honduras have signed agreements with the United States to cooperate in prevention of foot-and-mouth disease and rinderpest. USDA veterinarians assigned to Central America are cooperating with local officials to develop organizations for implementing animal disease reporting systems and to develop further means for preventing these diseases.

Under the cooperative agreements, participating countries will:

- Develop long-term plans for the surveillance, control, and eradication of exotic diseases.
- Arrange for training of technical, professional, and administrative employees in the specialized techniques of eradication of foreign animal diseases.
- Organize livestock producer vigilance groups to stimulate reporting of suspected exotic diseases.
- Initiate prompt field investigation of all suspected foreign animal diseases.
- Rapidly carry out eradication activities when foreign animal diseases are found.
- Conduct foreign animal disease test exercises in each country once a year or as needed.

Advisers on foot-and-mouth prevention are maintained in Panama by USDA, OIRSA, and the Pan American Health Organization, which also make technical assistance available.

The Inter-American Development Bank has made several substantial loans to South American countries for control and eradication of foot-and-mouth disease.

When the Darien Gap Highway is completed, possibly in 1976, it will be relatively simple to prevent the movement of foot-and-mouth disease from Colombia into Panama by way of the highway—and technically possible to prevent the disease's spread in other border areas. However, the presence of livestock, particularly cattle, along Colombia's side of its border with Panama, will make prevention much more difficult.

A team—including the author—of U.S. and Colombian experts toured the border area in February and March 1972. Their reports indicated that Colombia indeed has a major foot-and-mouth disease control problem, although the country expects to intensify control efforts during the next few years. Livestock, particularly cattle, along the border constitute a major threat because if the disease occurs in Colombia very near the border, it will have increased opportunity to spill over into Panama. The highway would of course prove a major means of such a spillover.

In conclusion, they felt that the cooperative action which has been proposed between the Governments of the United States, the countries of Central America, Panama, and Colombia will be essential to implement the necessary preventive activities.

Developing Nations of Asia

(Continued from page 9)

about $50 million for shipments under Title II, P.L. 480.

However, total U.S. imports from India reached a record $426 million in 1972 because of larger purchases of jute products, diamonds, and shrimp. From a gain of more than $100 million in its 1972 trade with the United States, India had funds to purchase substantial amounts of U.S. wheat and grain sorghum this year.

Imports were needed, since after 5 years of expanding production, India suffered one of its periodic severe droughts in the summer of 1972, causing sharp declines in harvested crops, drawing down supplies, and causing prices to soar.

Consequently, India's imports from the United States in the first few months of 1973 will probably exceed the value of all shipments in 1972, with most gains in wheat, corn, grain sorghum, soybean oil, and tallow. About 1 million tons of U.S. grain will be shipped early in 1973, and U.S. soybean oil is expected to supplement vegetable oil supplies depleted by the short 1972 peanut crop.

U.S. sales to **Hong Kong** should rise in 1973 due to a revival of cotton shipments. Although cotton sales suffered a severe setback—dropping from $22.7 million in 1971 to $7.9 million in 1972—the market share may climb this year.

The Colony, which is virtually a free port, is becoming an important market for many consumer-ready items, especially U.S. fruits and vegetables, poultry meat, and some specialty items like ginseng, a root used to prepare food additives. Hong Kong is the largest overseas market (excluding Canada) for U.S. oranges, grapes, and celery.

The impact of a severe drought that caused crop shortfalls in **Nepal** was lessened by U.S. food shipments in 1972. These programs changed the country from a token market to a considerable outlet for U.S. corn and other cereal products. U.S. exports may reach $4 million in 1973, compared to the record $1.2 million last year, but most will be through relief programs.

Other Asian countries became more important U.S. customers in 1972. Cotton and tobacco were the main exports to Thailand in 1972, where industrialization is providing new outlets for U.S. raw materials. Singapore recently built new soybean-crushing facilities, which resulted in a doubling of soybean imports from the United States.

In addition, Sri Lanka (Ceylon) took larger supplies of U.S. wheat flour in 1972 and demand is expected to rise further. The Khmer Republic imported rice, wheat, and flour to ease food shortages. Wheat flour shipments caused exports to Laos to more than double in 1972. Increases were recorded in U.S. exports to Burma and Afghanistan.

Developing Mideastern countries have more than doubled imports of U.S. farm products since 1969, with spectacular gains in sales to Iran, Saudi Arabia, and Lebanon. Iran is a growing market for U.S. rice, wheat, corn, and processed foods, and should increase grain and soybean oil purchases.

Saudi Arabia imports a wide variety of processed foods, wheat flour, and meats for sale in its modern supermarkets, as well as bulk commodities such as rice. Lebanon took record amounts of wheat, corn, and animal feeds in 1972, with total imports from the United States rising to over $27 million.

CROPS AND MARKETS

High Prices Cut Estimated Cost of U.K. Support Program

High world and U.K. prices have enabled the British Government to scale downward its estimate for the cost of its 1972-73 support program. Originally set in early 1972 at $960.8 million, 1 year later the estimate was dropped to $646.1 million. (Conversion rate: £1=US$2.47)

Under the U.K. agricultural support program, prior to European Community (EC) entry, the Government paid as deficiency payments the difference between market cost of farm imports and guaranteed prices laid down in the Government's Annual Review. When the cost of imports is high, the gap is reduced and deficiency payments are lower. This was the case in 1972-73.

The savings noted in the latest estimate accrued in the implementation of price guarantees, the total cost of which is now put at only $136.8 million, 61 percent less than the 1971-72 outlay of $348 million and 72 percent lower than the $488.6 million originally forecast for this purpose.

By far the largest single saving in the price guarantees section was in the fatstock sector where market prices have, for most of the current year, been above guaranteed levels. The total outlay for fatstock guarantees is now put at only $13.8 million, one-tenth the expected outlay of $153.9 million. Expenditures in 1971-72 were $112.3 million.

Considerable savings also resulted from high market prices for grains. The latest estimate put expenditures for grain guarantees at only $83.2 million, against $286.8 million originally forecast and the 1971-72 outlay of $155.1 million.

The only substantial increase in price guarantees noted was for potatoes. The latest 1972-73 estimate is $27.9 million, contrasted with the earlier estimate of $20.7 million, but still less than the 1971-72 payment of $48.6 million.

The support price for eggs rose slightly, while that for wool dropped. The latest estimate for the latter is $3.7 million, contrasted with the $20-million estimate set earlier.

COTTON

China's New Farm Slogan Emphasizes Cotton Output

Mainland China has apparently upgraded the relative importance of cotton fiber and cloth production, judging by a new agricultural production slogan announced in a recent New China News Agency article. Released following a 13-day cotton conference in Peking in January, the new slogan gives more emphasis to cotton and cloth output without downgrading the importance of grain.

The new slogan is "We must pay close attention to grain, cotton, and cotton cloth" and supplements an earlier one, "Take grain as the key link and insure all-around development."

Whereas the first slogan gave primary prominence to grain but left the relative standing of other crops in doubt, the new one is believed to have been formulated to insure a clear-cut understanding of the relative importance of cotton so that other crops would not be overly emphasized at cotton's expense.

The new slogan may have resulted in part from a drop in China's cotton output. Fragmentary information indicates that Mainland China's 1972 cotton production was about 1.1 million bales (480 lb. net) below the 7.6 million bales estimated for the previous year. Partly because of this weather-induced drop in outturn, Chinese cotton imports for 1972-73 (August-July year) are expected to reach a record 1.6 million bales. This is substantially above the 680,000 bales imported in 1971-72, the 450,000 bales in 1970-71, and twice the previous 800,000-bale peak in 1963-64.

Port of Venice Crisis Hurts Italian Textile Industry

Recent work stoppages and unrest in Venice are creating an irregular supply of raw cotton for the Italian textile industry, which is recovering from a severe slump in 1971. Since most of the mills are located in the northern regions of Lombardy and Piedmont, about 65 percent of their raw cotton—a substantial portion coming from Middle Eastern countries—usually enters through the port of Venice. However, shippers are refusing to deliver to that port because of the defects in the Venice lagoon and the lack of modern port facilities which create delays in unloading and accumulation of goods in storage at port sheds.

Cotton from the United States and other Western Hemisphere countries generally enters through the port of Genoa.

FATS, OILS, AND OILSEEDS

Argentine Sunflower Crop Reduced

Latest reports now place the 1973 Argentine sunflowerseed harvest at a maximum of 1 million metric tons owing to heavy rains over the northern growing areas of the country during recent weeks. Private sources had been forecasting a crop of 1.2-1.3 million tons for 1973 against the previous year's harvest of 828,000 tons. Weather conditions during the next weeks are considered to be the critical factor in determining the final outcome of this year's harvest.

Soviet Union May Boost Soybean Production

The Soviet Union is seriously considering further development of soybean production, according to a recent issue of a Russian farm magazine. The article emphasized that soybeans, which now are grown mainly in the Soviet Far East, could and should be introduced in other areas of the USSR.

It was pointed out that agro-climatic conditions in the Ukraine, Moldavia, the northern Caucasus, sections of the Volga region, the southern Urals, at least two republics of central Asia, and even western and eastern Siberia, were reported favorable for growing soybeans. It was further indicated that in several areas of central Asia, soybeans could be effectively grown in rotation with rice and cotton.

The magazine stressed that in order to increase output, faster and more modern techniques must be developed for breeding higher yielding varieties; fertilizer use increased; insecticide and herbicide production and use expanded; and more efficient machinery for seeding, cultivating, and harvesting soybeans developed.

South African Oilseed Production

Oilseed production in South Africa has not been keeping pace with consumption even with increasing prices paid, although production has risen sharply in the past 3 years.

Preliminary estimates put the peanut crop at about 130,000 tons, a reasonable level considering that a sizable area usually planted to peanuts was too dry for any planting this year. The sunflower crop could reach 150,000 tons, but as much of the increased plantings were planted very late, production is still questionable. Although rain has fallen in most areas, subsequent dry weather nullified most of the effect. Sunflowers have been planted on land usually planted to corn, and recent rain and cool weather could still bring the crop through in good shape.

The entire sunflowerseed crop is marketed locally, and because of increased local demand, sunflower oil exports are small. The dramatic rise in local consumption of vegetable oils is due to the legalizing of yellow margarine. With the present short crops, oil imports are likely, but indications are that it will be mostly cottonseed oil.

Senegal's Peanut Output Drops Sharply in 1972-73

Senegal's total peanut production in 1972-73 is currently estimated at 500,000 to 550,000 metric tons, compared with last year's crop of 920,000 metric tons. Commercialization is expected to reach 350,000 to 400,000 tons in 1972-73, against 760,000 tons in 1971-72. The sharp decline is attributed to the severe drought which affected virtually every region in the country. Conditions were so severe in the northern and central regions that two plantings were made to realize the present production.

All of Senegal's exports of peanuts are in the form of oil and meal. Oil production from the commercial crop is expected to be 120,000 to 135,000 metric tons. Domestic oil consumption remains at 50,000 tons and exports of oil peanuts remain at zero owing to the 1971 regulation issued by the Senegalese Government which states, in effect, that only in-shell peanuts (primarily for eating) will be exported.

GRAINS, FEEDS, PULSES, AND SEEDS

Argentine's Grain Harvest Delayed by Wet Weather

Wet weather, until recently, has delayed the beginning of the Argentine corn and sorghum harvest by about a month. There has been some lodging and quality deterioration. This year, these grains will not be in full flow into exports until mid-April. The Agricultural Ministry estimates corn production at 9.6 million tons (up from 5.7 in 1972) and sorghum at 4.9 (up from 2.4 in 1972).

Brazil Raises Wheat Price

Brazil has announced the 1973 purchase price for domestically-produced wheat at $111.90 per ton (current conversion rate), up from $100 per ton for 1972. The increase of 12 percent matches the Government's target inflation rate for the year.

South African Corn, Sorghum Down

The South African Maize Board estimates 1973 corn production at 4,230,000 metric tons and sorghum at 251,000 tons. Last year's corn and sorghum crops were 9,630,000 tons and 556,000 tons, respectively. Private sources expect the final figure to be somewhat higher, but with domestic requirements at about 5.2 million tons of corn, export volume will be sharply reduced from 1972-73 and will depend on carrying stocks (estimated to be 2.2 million tons on May 1, 1973) and, later, upon prospects for the 1974 crop.

The South African Maize Board has suspended export sale tenders for corn in view of the expected poor 1973 crop.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	April 4	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	3.10	−2	1.97
USSR SKS-14	(1)	(1)	1.85
Australian FAQ [2]	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	2.75	+6	1.89
15 percent	2.79	+8	1.96
U.S. No. 2 Hard Winter:			
13.5 percent	2.77	+7	1.80
No. 3 Hard Amber Durum	2.86	0	1.81
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	2.00	+4	1.43
Argentine Plate corn	2.18	−1	1.68
U.S. No. 2 sorghum	2.05	−3	1.50
Argentine-Granifero sorghum	2.03	−2	1.51
U.S. No. 3 Feed barley	1.68	0	1.23
Soybeans:			
U.S. No. 2 Yellow	6.26	−54	3.70
EC import levies:			
Wheat [3]	[4] 1.66	−1	1.67
Corn [5]	[4] 1.21	−6	1.12
Sorghum [5]	[4] 1.17	+2	1.07

[1] Not quoted. [2] Basis C.I.F. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 23 cents a bu. lower than those of other EC countries.

Grain Exports and Transportation Trends: Week Ending March 23

Weekly export inspections of wheat, feedgrains, and soybeans totaled 1.71 million metric tons for the week ending March 23—about the same as the week before and just

below the February weekly average.

Inland transportation was steady. Railcar loadings of grain totaled 30,993 cars, about the same as one week earlier. Barge shipments of grain, at 463,000 metric tons, were down 4 percent from the week before.

GRAIN EXPORTS AND TRANSPORTATION TRENDS: WEEK ENDING MARCH 23

Item	Week ending Mar. 23	Previous week	Weekly average, Feb.	Weekly average, second quarter
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Weekly inspections for export:				
Wheat	556	544	670	557
Feedgrains	722	788	700	595
Soybeans	430	390	357	351
Total	1,708	1,722	1,727	1,503
Inland transportation:				
Barge shipments of grain	463	482	482	559
	Number	*Number*	*Number*	*Number*
Railcar loadings of grain	30,993	30,950	33,251	30,923

Proposed EC Grain Price Boosts

The Commission of the European Community has proposed a 2.76-percent support-price increase for wheat, barley, and corn for the 1973-74 season. This proposed increase goes to the EC Council of Agricultural Ministers for discussion in its April 8-9 meeting. The proposed increase is only about half the figure proposed by COPA, the European farm lobby group. Some EC members, notably Germany, will also be seeking higher increases, while the United Kingdom reportedly will argue for a freeze on EC farm prices in 1973-74.

LIVESTOCK AND MEAT PRODUCTS

Dominican Republic Begins Exporting Milk-Fed Veal

The Dominican Republic has begun the export of milk-fed veal. The first shipment was to Puerto Rico and consisted of 60 carcasses priced at about 82 cents per pound, f.o.b. Dominican port. Weight per carcass is said to have averaged 165 pounds.

Although the milk-fed veal operation is in its infant stage in the Dominican Republic, the future, is said to be bright. Exports could reach 6,000 carcasses in about a year. Male dairy calves have usually been unwanted creatures in the past.

SUGAR AND TROPICAL PRODUCTS

International Cocoa Pact Closer to Approval

No objections have been received to a United Nations proposal to permit the International Cocoa Agreement to enter into force in spite of the fractional deficiency in the number of importing countries that have signed. Therefore, the Agreement will enter into force, definitively or provisionally, on April 30, 1973, or within the following 2 months if, by that date, signatories accounting for the requisite proportion of cocoa imports and exports have either ratified, accepted or approved it, or have notified the U.N. of their intentions to apply it provisionally.

The Agreement was signed—as of the January 15, 1973, deadline—by countries accounting for 69.83 percent of total cocoa imports, whereas 70 percent was needed. The U.N. decided that the 69.83 percent ratification would be considered as meeting the requirements, unless objections were received by March 1, 1973. Producer signatures easily exceeded the 80 percent requirement, totaling over 92 percent.

FRUITS, NUTS, AND VEGETABLES

Argentina's Canned Fruit Pack Down

Heavy frosts and hail storms reduced 1973 Argentine production of canned deciduous fruit. Total 1973 canned fruit production is estimated at 575,600 cases, basis 24/2½'s, only 30 percent of the 1972 pack of 1,925,000 and a fraction of the 1965-69 average.

The peach pack suffered the largest cutback and is currently estimated at 318,400 cases compared with 1,750,000 cases during 1972. Production of mixed fruit was larger, totaling 222,000 cases, 45 percent above last year. Production of apricots, cherries, and pears was smaller.

Greek Table Olive Output

Greece's 1972 table olive crop totaled 66,940 short tons, with quality reported to be good. Although well below last year's abnormally large 85,324-ton yield, it surpasses the 1966-70 average of 58,100 tons. This above-average crop is complemented by an extremely large carry-in, resulting in abundant supplies. Favorable weather and the maturing of young acreage are cited to explain the expanding output.

Exports during the 1971-72 marketing season (November-October) totaled 22,702 tons, 16 percent above the previous season. Industry members, presently confronted with abundant stocks and moderate prices, expect exports during the 1972-73 season to surpass the 1971-72 level. Current forecasts place shipments at 26,000 tons, a 3,300-ton increase.

Total available supplies, although large, are slightly below last year's levels. Thus, producer prices are somewhat above last season due to the smaller harvest. During the 1971 season, farm prices averaged 22.7 cents a pound for 120 count black olives (120 olives per kilo). This compares with 25.7 cents for the first 5 months of the 1972 season. For 120 count green olives, the current 5-month average is 23.4 cents per pound compared with the 1971 average of 17.4 cents.

Smaller Chilean Canned Fruit Pack

Current reports indicate that favorable fresh market prices, sharply higher labor costs, and a shortage of tin plate and other materials have contributed to a smaller 1973 Chilean canned fruit pack. Total production is estimated at 591,000 cases, equivalent 24/2½ basis, 21 percent below 1972. Peaches, the major item, are estimated at 394,000 cases, 24 percent less than the 1972 pack of 516,600 cases. Production of marmalades is estimated at 39,000 cases and other fruits and juices, 158,000 cases.

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EUROPEAN BEEF SHORTAGE *(Continued from page 3)*

prices have traditionally exceeded those of the United Kingdom because of different systems of farm support. British livestock producers are guaranteed a minimum price, and curbs on imports are minimal. The EC, on the other hand, has maintained restrictive import policies, which have kept beef prices high and left the consumer to pay the cost of farm support at the marketplace.

Production of beef in the EC is primarily a byproduct of the dairy industry, and more than 70 percent of the adult cattle slaughtered for beef are females. On April 1, 1972, the EC Council increased the target price on milk by 8 percent. This had the effect of lowering cow culling rates and increasing heifer retentions. As a result, slaughter dropped about 7 percent, and 1972 beef and veal production was estimated 5 percent below 1971 levels.

The EC's beef shortage pushed already high prices up even more until at last consumers exerted so much pressure that the Common Market was forced to lower its import barriers.

In early June, all EC duties on imports of live cattle and beef from third countries were suspended for a 3-week period. This was the first time in the history of the Common Market that import duties on beef and veal and cattle were removed. The effect was to triple beef imports from third countries to about 265 million pounds and raise live cattle imports 45 percent to about 240,000 head.

Price declines in the Netherlands triggered the reimposition of duties, but owing to transportation lags, full duties were not reapplied until early August.

Duties on beef and cattle were lowered a second time in 1972 when the EC Council in its October 31 meeting took measures to hold inflation at an annual 4-percent growth rate. Beginning November 1, duties on live cattle and beef imports were halved, and as of early March 1973, the duties had yet to be reinstated.

EC trade data needed to assess the effect of this duty reduction on imports are not yet available. But in the United Kingdom, November exports of live cattle to the EC jumped 9 percent from the previous month to 13,000 head, and beef exports increased 8 percent to 15 million pounds. Shipments continued high in December, when beef exports to the EC totaled 12 million pounds and live cattle exports 6,800 head.

This substantial growth in exports, combined with the Christmas demand for roasts in the United Kingdom, had a spectacular effect on U.K. prices. Fat cattle sold for 41 percent more in early January than 2 months prior. As a result, the margin between U.K. fat cattle prices and those in the EC narrowed to about 4-5 cents per pound, compared with 10-14 cents during the first 10 months of 1972.

One editorial writer in a British newspaper noted that the effect of EC import policies, combined with the European beef shortage, was to raise the price of beef in the United Kingdom in 5 days by as much as the Government had expected it to rise in the 5-year EC traditional period.

At the end of 1972, wholesale beef prices in other European countries were also significantly above those of a year earlier. In Spain, prices were 10-20 percent higher, and in Sweden, they were up 16 percent. Danish prices for heifers and steers at the Copenhagen meat market in 1972 averaged 39 percent more than in 1971.

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chicken meat will greatly increase.

The recent devaluation of the dollar will generally help exports of U.S. poultry products. However, unless the EC lowers its current gate prices on uncooked poultry meat products, the application of gate prices and of variable and supplemental levies to U.S. shipments will negate the price-lowering effect of the devaluation.

More and more the export market is being considered by the U.S. poultry industry as a part of its total marketing. This approach, combined with the continuing development of new products and high red meat prices and the devaluation, will make 1973 another good export year for U.S. poultry.